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## FOREIGN SERVICE DESPATCH

FROM : AmConsul BASRA

DESP. NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON.

July 12, 1957  
DATE

REF : Condes 59, June 11, 1957

Jen Boundaries

For Dept. Use Only	ACTION	DEPT.	4051611
	REC'D	OTHER	
	NEA-4	IN REP-2 RM/IC-2 CL-8 E-4 ICA-10	
	7-24	COM-17 IN-7 TAG-2 CIA-14 OSD-4 Army-4	

SUBJECT:

Iranian Claims on BPC Exploratory Well

NAVY-3

KUWAIT-1

DHAMMAN-1

KHORRAMSHAHR-1 TEHRAN-1

As reported in Condes 50, April 29, 1957, the Basra Petroleum Co. has decided to drill an exploratory well to the north-east of Amara and has set up a base camp near at-Tiib. When the Iranian Consul-General in Basra, Mahmoud MALAYERI, informed the BPC management that he believed the area to be within Iran, work was stopped temporarily while the location of the border was clarified insofar as possible. (G)

Despite the unshakeable conviction of the Iranian Consul-General that BPC is encroaching on the consortium's area, the oil company has decided, after talks with IPC officials and the Iraq Government, to go ahead with the project. John J. PAGE, General Manager of BPC, says Malayeri's contention is not supported by the facts and work will not be delayed further. So far, the company has put down a water-well and established the camp, but has done no drilling for oil, but they now expect to start in two weeks. This apparently is to be a fairly elaborate venture, as plans for the site include a new road from at-Tiib to the camp and an all weather air-strip about 1500 yards long to allow movement of personnel and material from Basra, thus avoiding the 5 hour road trip now necessary.

The Iranian Government, according to Malayeri, has not reached a final decision as to its next step, but he adds darkly that BPC is wasting money, since if oil is found, it belongs to the consortium, and not to BPC.

David Scott  
American Consul.

cc AmEmbassy, Baghdad  
Dept please pouch to Kuwait, Khorramshahr, Dhahran, Tehran

DScott/ds  
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